

113TH CONGRESS
1ST SESSION

H. R. 992

AN ACT

To amend provisions in section 716 of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to Federal assistance for swaps entities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Swaps Regulatory Im-
3 provement Act”.

4 **SEC. 2. REFORM OF PROHIBITION ON SWAP ACTIVITY AS-**
5 **SISTANCE.**

6 Section 716 of the Dodd-Frank Wall Street Reform
7 and Consumer Protection Act (15 U.S.C. 8305) is amend-
8 ed—

9 (1) in subsection (b)—

10 (A) in paragraph (2)(B), by striking “in-
11 sured depository institution” and inserting
12 “covered depository institution”; and

13 (B) by adding at the end the following:

14 “(3) COVERED DEPOSITORY INSTITUTION.—

15 The term ‘covered depository institution’ means—

16 “(A) an insured depository institution, as
17 that term is defined in section 3 of the Federal
18 Deposit Insurance Act (12 U.S.C. 1813); and

19 “(B) a United States uninsured branch or
20 agency of a foreign bank.”;

21 (2) in subsection (c)—

22 (A) in the heading for such subsection, by
23 striking “INSURED” and inserting “COVERED”;

24 (B) by striking “an insured” and inserting
25 “a covered”;

1 (C) by striking “such insured” and insert-
2 ing “such covered”; and

3 (D) by striking “or savings and loan hold-
4 ing company” and inserting “savings and loan
5 holding company, or foreign banking organiza-
6 tion (as such term is defined under Regulation
7 K of the Board of Governors of the Federal Re-
8 serve System (12 C.F.R. 211.21(o)))”;

9 (3) by amending subsection (d) to read as fol-
10 lows:

11 “(d) ONLY BONA FIDE HEDGING AND TRADITIONAL
12 BANK ACTIVITIES PERMITTED.—

13 “(1) IN GENERAL.—The prohibition in sub-
14 section (a) shall not apply to any covered depository
15 institution that limits its swap and security-based
16 swap activities to the following:

17 “(A) HEDGING AND OTHER SIMILAR RISK
18 MITIGATION ACTIVITIES.—Hedging and other
19 similar risk mitigating activities directly related
20 to the covered depository institution’s activities.

21 “(B) NON-STRUCTURED FINANCE SWAP
22 ACTIVITIES.—Acting as a swaps entity for
23 swaps or security-based swaps other than a
24 structured finance swap.

1 “(C) CERTAIN STRUCTURED FINANCE
2 SWAP ACTIVITIES.—Acting as a swaps entity for
3 swaps or security-based swaps that are struc-
4 tured finance swaps, if—

5 “(i) such structured finance swaps are
6 undertaken for hedging or risk manage-
7 ment purposes; or

8 “(ii) each asset-backed security under-
9 lying such structured finance swaps is of a
10 credit quality and of a type or category
11 with respect to which the prudential regu-
12 lators have jointly adopted rules author-
13 izing swap or security-based swap activity
14 by covered depository institutions.

15 “(2) DEFINITIONS.—For purposes of this sub-
16 section:

17 “(A) STRUCTURED FINANCE SWAP.—The
18 term ‘structured finance swap’ means a swap or
19 security-based swap based on an asset-backed
20 security (or group or index primarily comprised
21 of asset-backed securities).

22 “(B) ASSET-BACKED SECURITY.—The
23 term ‘asset-backed security’ has the meaning
24 given such term under section 3(a) of the Secu-

1 rities Exchange Act of 1934 (15 U.S.C.
2 78c(a)).”;

3 (4) in subsection (e), by striking “an insured”
4 and inserting “a covered”; and

5 (5) in subsection (f)—

6 (A) by striking “an insured depository”
7 and inserting “a covered depository”; and

8 (B) by striking “the insured depository”
9 each place such term appears and inserting
10 “the covered depository”.

 Passed the House of Representatives October 30,
2013.

Attest:

Clerk.

113TH CONGRESS
1ST SESSION

H. R. 992

AN ACT

To amend provisions in section 716 of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to Federal assistance for swaps entities.